



# LOWER MANHATTAN

## RETAIL MARKET OVERVIEW

## Q3 2009

Alliance for Downtown New York





# Key Facts

## Lower Manhattan Overview

- Location: Southernmost tip of Manhattan
- Geography: 0.75 square miles south of City Hall. Includes Financial District, South Street Seaport, TriBeCa South, World Financial Center, World Trade Center and Battery Park City
- 15 minute ride via public transit from the Lower East Side, the East Village, SoHo, Jersey City, Hoboken, Staten Island, Brooklyn Heights, DUMBO, Cobble Hill, Carroll Gardens, Red Hook, Williamsburg, and Park Slope
- Local Market (south of Chambers Street) includes 27,300 households with average income of \$242,000
- Greater Market (three-mile radius) includes 370,050 households with average income of \$96,600
- Accessible destination for 47 million annual visitors to New York City



### Employees

Total Lower Manhattan employment (2008)	314,832
Average employee annual wage (2008)	\$133,883
Annual buying power	\$569 million

### Residents

Lower Manhattan population* (2008)	53,900
Average household income in Lower Manhattan	\$242,000
Annual residential disposable income	\$3.2 billion

\*Estimate based on average household size of 2

### Visitors and Tourism

Lower Manhattan visitors (2008)	5.2 million
Average length of hotel stays	2.4 nights
Proportion of visitors traveling with family	40%
Most popular visitor activities	Dining and shopping
Existing hotel rooms in Lower Manhattan	2,687
Total anticipated rooms by 2010	3,816

### Students

Number of institutions of higher learning	8
Student enrollment in Lower Manhattan	30,000
Students residing in Lower Manhattan	2,900*

\*Students are also counted in residential figures

### Mass Transit

Transit Service	2008 Annual Ridership
Subway (14 lines, 12 stations)	89,788,202
Staten Island Ferry	20,356,772
Ferries (non-Staten Island)	4,975,215
PATH Train	14,031,675
<b>Total Riders</b>	<b>129,151,864</b>
<b>Average Daily Ridership</b>	<b>353,841</b>

## Business and Employment

Lower Manhattan's reputation as a center for global commerce continues to attract highly skilled — and highly paid — employees.

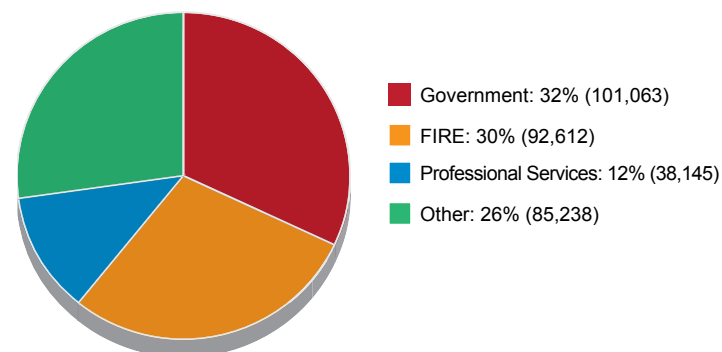
Lower Manhattan employees work in a rapidly evolving mix of industries. While FIRE companies are still the largest employment sectors, other industries have gained prominence in recent years. Professional services companies, such as law and accounting firms, account for 30% of the firms who have moved to the area since 2005.

The creative services sector, which includes magazine publishers, graphic design firms and marketing firms, and the non-profit sector also have a growing presence in Lower Manhattan. These sectors account for 36% of the businesses that have relocated to Lower Manhattan since 2005.

The Lower Manhattan office market will see tremendous growth in the next several years:

- Lower Manhattan is the nation's 4th largest central business district, with over 87 million square feet of office space.
- The new World Trade Center complex will add a total of 8.8 million square feet of office space and 500,000 square feet of retail space.
- The Goldman Sachs headquarters, which opened in November 2009, added another 2.1 million square feet of office space to the market.

### Lower Manhattan Employment by Sector (2008)



### Quick Facts

- 314,832**  
Employees in Lower Manhattan (Q4 2008)
- 10.9 Million**  
Square footage of Class A office space under construction in Lower Manhattan
- \$131,085**  
Average Lower Manhattan salary (2008)
- 3 out of 4**  
Share of Lower Manhattan employees who shop in Lower Manhattan
- 6 out of 10**  
Share of employees who eat out in Lower Manhattan at least three times each week
- \$569 Million**  
Estimated amount spent in Lower Manhattan each year by employees



## Residents

### Quick Facts

- 27,888**  
Total households in Lower Manhattan
- 53,900**  
Total population (2008)
- \$242,000**  
Average Lower Manhattan household income
- \$163,000**  
Median Lower Manhattan household income
- 16%**  
Share of Lower Manhattan households with income of over \$400,000
- \$3.2 Billion**  
Lower Manhattan residents' total disposable income
- 3 out of 4**  
Proportion of Lower Manhattan residents who dine out at least twice a week



Lower Manhattan is one of New York City's fastest growing neighborhoods. Since 2003, the residential population of Lower Manhattan has grown from approximately 30,000 to 53,900. These new residents comprise a wealthy, worldly market seeking a greater range of products and services close to home.

### An Extremely Affluent Population:

- Lower Manhattan residents' median household income is three times the Manhattan median and almost four times the New York City median.

### Growing Families:

- Over two-thirds of Lower Manhattan households are families.

### A Lower Manhattan Sensibility:

Lower Manhattan residents identify most with their neighbors in TriBeCa, SoHo, and the Village.

- More than half attend music and theatre events, museums, galleries, and exhibits at least once a month.
- Almost half of Lower Manhattan residents go to bars, lounges, or live music venues at least once a month.
- Lounges, local bars, chic hotel bars and wine bars are their preferred hangouts.

### A Demand for Recreational and Retail Opportunities:

- 91% of Lower Manhattan residents dine out one or more times each week.
- Most residents are sophisticated shoppers who frequent all types of fashion retailers, from discount stores to designer label boutiques.

## Tourism

In addition to its role as New York's premier business district, Lower Manhattan also attracts millions of visitors annually to its historic monuments, museums, waterfront and cultural events.

### Visitors

Lower Manhattan's visitor market is strong and getting stronger.

#### Annual Visitors

2002	4.2 million
2008	5.2 million

An estimated 10-12 million visitors are expected in Lower Manhattan following the completion of the National September 11<sup>th</sup> Memorial & Museum, whose plaza will open September 11, 2011.

### Hotel Guests

Guests at Lower Manhattan's many hotels are an affluent group with incomes more than double those of the average New York City hotel guest.

Average annual household income	\$211,903
Average daily spending per adult	\$619
Average hotel stay	2.4 nights

### Hotels

Lower Manhattan's hotels run the gamut from boutiques to luxury towers, and everything in between. With an impressive array of new projects currently under construction, Lower Manhattan's stock of hotel rooms is set to increase by 62% in the next few years.

Lower Manhattan hotel inventory	12
Lower Manhattan room inventory	2,687

## Quick Facts

- 21**  
Number of museums and historic attractions in Lower Manhattan
- 5.2 Million**  
Number of visitors to Lower Manhattan in 2008
- 10-12 Million**  
Number of expected annual visitors to Lower Manhattan with the completion of the WTC Museum and Memorial
- 66%**  
Proportion of Lower Manhattan tourists who are repeat visitors
- \$211,903**  
Average household income of Lower Manhattan hotel guests
- 2.4 Nights**  
Average Lower Manhattan hotel guest stay (includes both leisure and business travelers)
- 2,687**  
Number of existing hotel rooms in Lower Manhattan
- 663,339**  
Number of hotel guests in Lower Manhattan in 2008

### Major Lower Manhattan Attractions

- Battery Park and Castle Clinton National Monument
- Ellis Island & Statue of Liberty
- Federal Hall
- Museum of Jewish Heritage
- National Museum of the American Indian
- River to River Festival
- South Street Seaport
- Trinity Church

### Coming Soon

- National September 11<sup>th</sup> Memorial & Museum

## Retailers, Restaurants and Services

## Quick Facts

- 568**  
Number of retailers and service businesses in Lower Manhattan (2008)
- 435**  
Number of restaurants in Lower Manhattan
- 500,000 Square Feet:**  
Amount of new retail space coming online by 2012 at the new World Trade Center complex

Lower Manhattan's resurgence is attracting new retailers and restaurateurs from all over New York City and around the globe. The confluence of expanding residential and hotel populations, a large and growing office base, and major transit projects put Lower Manhattan at the forefront of New York City's most dynamic neighborhoods.

### Retail

2008 was a banner year for Lower Manhattan retail, as world renowned luxury retailers opened in the Financial District. Looking ahead, the new World Trade Center buildings will add more than 500,000 square feet of retail space to the district.

Some of retail's brightest stars have made Lower Manhattan the location of their latest ventures, including:

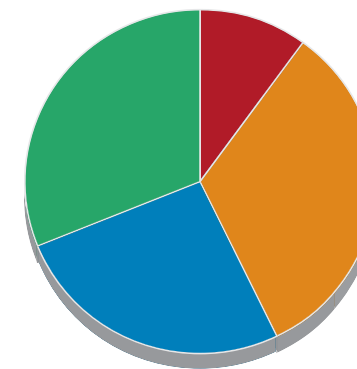
- Barnes & Noble Booksellers
- Canali
- Hermès
- La Maison Du Chocolat
- True Religion Jeans
- Thomas Pink
- Tumi
- Whole Foods

### Restaurants

For an area already dense with restaurants, Lower Manhattan is more delicious than ever. In the past few years, revitalized blocks of Stone Street and Front Street have become the neighborhood's restaurant rows. Some of New York's hottest eateries have opened Lower Manhattan locations including:

- BLT Grill (coming soon)
- Capital Grille
- Chipotle Mexican Grill
- Cowgirl Sea Horse
- Crumbs Bakeshop
- Fresco by Scotto
- Haru Sushi
- Le Pain Quotidien
- The Palm Steakhouse
- The Pump Energy Food
- SHO Shaun Hergatt

### Lower Manhattan Retailers by Category



- Full Service Dining: 10%
- Casual Eating and Takeout: 33%
- Personal and Professional Services: 26%
- Shopping: 31%

## Retailers, Restaurants and Services

### What retailers are saying about Lower Manhattan:

“ Thomas Pink and Wall Street are a perfect fit. With twenty stores already across the U.S., Pink has a strong national presence. The exceptional demographics of the Downtown community give us confidence that Wall Street is capable of becoming a strong retail corridor. ”

— Robert Dundon, U.S. President, Thomas Pink

“ We’re very happy with how our business is growing in Lower Manhattan. All day, every day, we see more and more area workers and residents, especially young families. ”

— Peter Poulakakos, Owner, Financier Patisserie

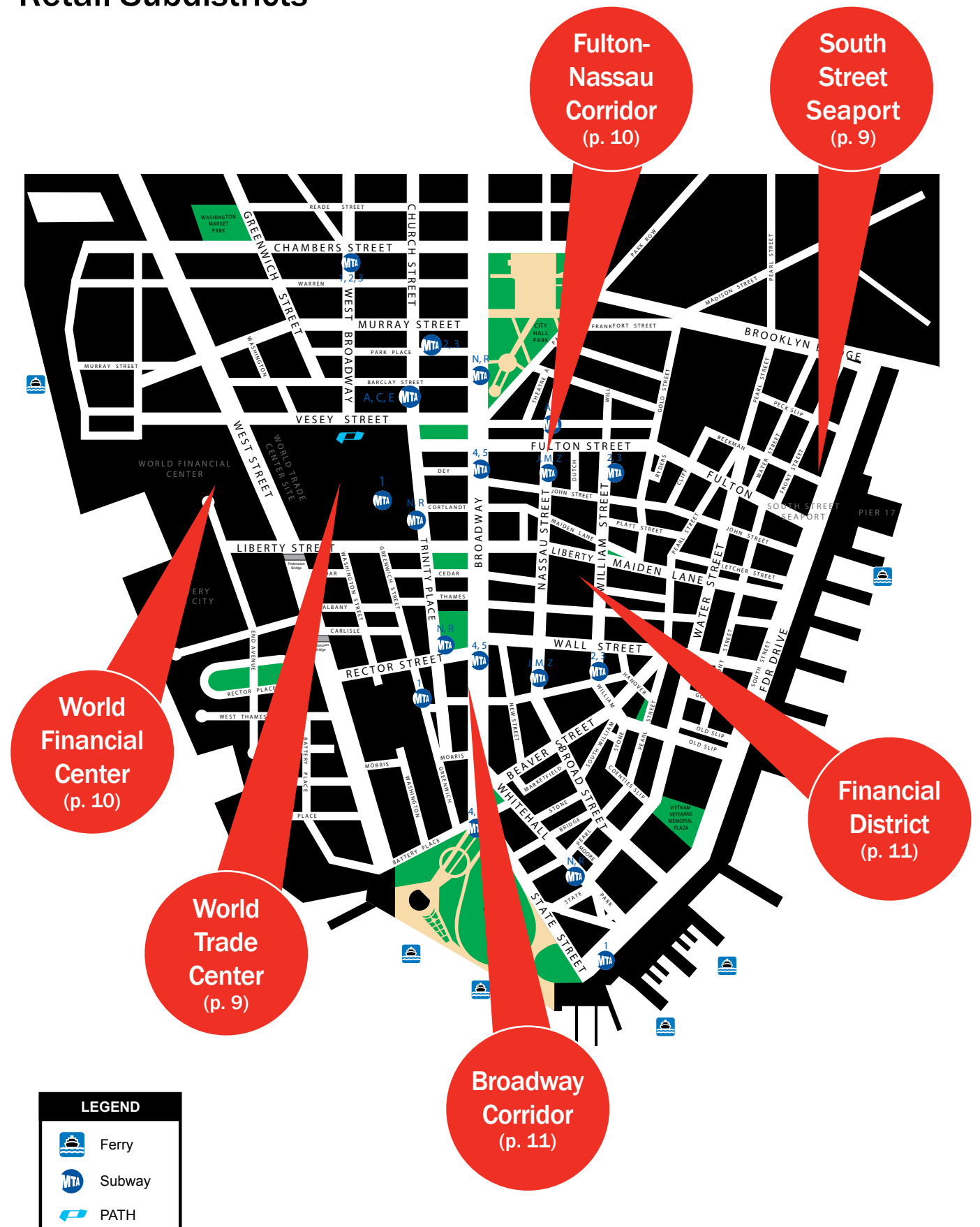
“ When we started to see the future potential, we wanted to be at the forefront and wanted to give our vote of confidence in the rebuilding of Lower Manhattan. The number of conversions to luxury condos and co-ops indicated that this isn’t just a business and tourist community. We’re starting to see a residential community. ”

— Robert Chavez, President and Chief Economic Advisor, Hermès

“ Chipotle is bullish on Lower Manhattan. The area provides a healthy mix of residents and workers to provide good traffic in our restaurant for lunch and dinner, and has the kind of vibrancy and energy we look for in making real estate decisions. ”

— Marc Frankel, Real Estate Manager, Chipotle Mexican Grill

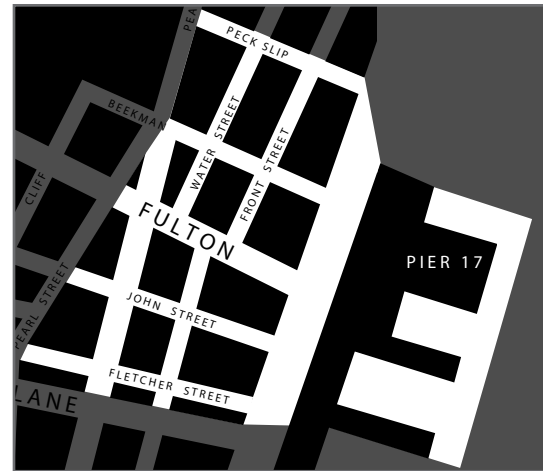
## Retail Subdistricts



## Retail Subdistricts (continued)

### South Street Seaport

New York City's maritime past and future meet in this historic waterfront district just south of the Brooklyn Bridge. Where the office towers of Wall Street end, they are replaced by the towering masts of tall ships and cobbled streets lined with classic New York architecture. Bustling crowds find favorite national retailers along Fulton Street and in the mall at Pier 17, while locals flock to the hip new shops and restaurants on historic Front Street.

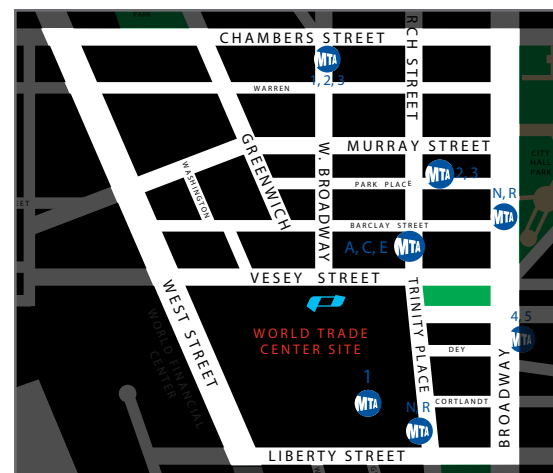


#### Notable restaurants and retailers:

- The Gap
- Jack's Coffee
- J. Crew
- Onda
- Pasanella and Sons Vintners
- Provisions on Beekman
- TKTS
- Abercrombie and Fitch
- AKO Store
- Coach
- Cowgirl Sea Horse
- Firefly Children's Clothing

#### Major attractions:

- Bodies — The Exhibition
- Seasonal programming including Spiegelworld
- The South Street Seaport Museum



### World Trade Center and TriBeCa South

The highly-anticipated redevelopment of the World Trade Center site will add 8.8 million square feet of commercial real estate to Lower Manhattan's office market, creating an amazing new regional retail destination at the district's crossroads.

- The new World Trade Center buildings and Santiago Calatrava-designed PATH station will feature 500,000 SF of retail.
- The National September 11<sup>th</sup> Memorial & Museum will draw 10-12 million visitors a year.

TriBeCa South, the area to the north of the World Trade Center, benefits from its proximity to both Lower Manhattan's bustling business district and TriBeCa's chic, upscale residential community. Recently, a slew of exciting new retailers looking to tap into both of these markets have opened.

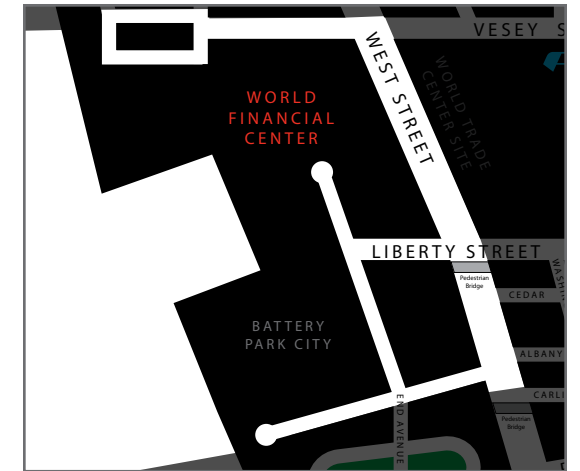
#### Notable retailers:

- Le Pain Quotidien
- The Palm Steakhouse
- Papyrus
- Whole Foods
- Zucker's Bagels and Smoked Fish
- Barnes & Noble Booksellers
- Bed Bath & Beyond

## Retail Subdistricts (continued)

### Battery Park City / World Financial Center

Located in Battery Park City, this impressive complex contains almost 7 million square feet of office space, and its 300,000 square feet of retail space feature a wide array of major retailers and quality dining options. The centerpiece of the World Financial Center is the Winter Garden, one of Lower Manhattan's most exciting indoor public spaces. The World Financial Center is also adjacent to the Hudson River waterfront, which affords visitors expansive views and easy access to ferries and parks.



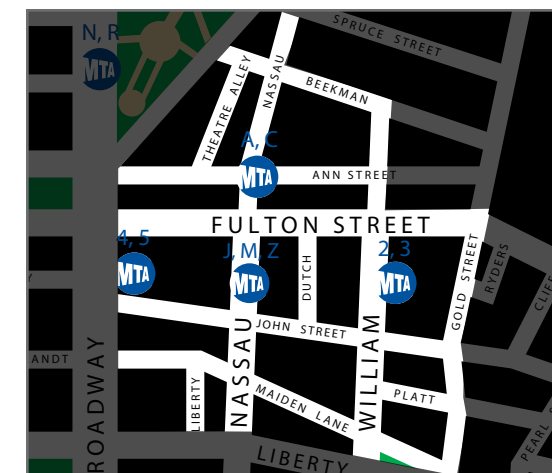
In addition to the thousands of employees located immediately above the World Financial Center's shops, over 15,000 residents live to the south and north in Battery Park City's apartment buildings. Goldman Sachs' new 2.1 million SF headquarters is adding new energy — and foot traffic — to this cornerstone of Lower Manhattan retail.

#### Notable retailers:

- Ann Taylor
- Au Mandarin
- Banana Republic
- Ciao Bella Gelato
- Godiva Chocolatier
- Joseph Ciore & Co. Salon

#### Major office tenants:

- American Express Company
- Deloitte & Touche
- Goldman Sachs Group, Inc.
- Oppenheimer Funds



### Fulton-Nassau Corridor

Fulton and Nassau Streets are the crossroads of variety in Lower Manhattan. These two streets include a unique mix of locally-owned shops and eateries, as well as familiar national brands. These retailers have chosen their location wisely: not only are they in the center of Lower Manhattan's more than 300,000 employees, but they are a short walk from the city's civic center and adjacent to the Fulton Transit Hub, Lower Manhattan's busiest subway station.

#### Notable retailers:

- Alfanoose
- Brasserie Les Halles
- Edible Arrangements
- Harry's Italian
- Nassau Fulton Optical
- New York & Co.
- Samuel's Hats
- Swich

#### Major office tenants:

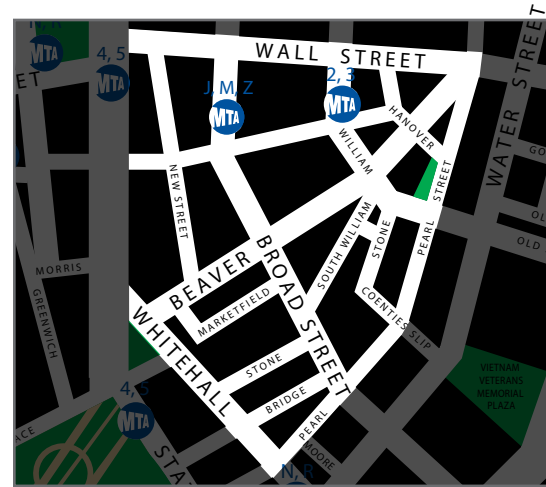
- Brown Brothers Harriman
- Cleary Gottlieb Steen & Hamilton
- The Federal Reserve Bank of New York
- J.P. Morgan Chase & Co.

## Retail Subdistricts (continued)

### Financial District

The heart of Lower Manhattan is the birthplace of both New York City and the nation's financial industry. And in recent years, the Financial District has reinvented itself as a corridor of deluxe residential buildings and high-end retailers. This compact area that once contained the entire settlement of New Amsterdam is again a microcosm of the whole city – a 24-hour district designed for living, working, relaxing, and shopping.

Stone Street, Lower Manhattan's renowned restaurant row, offers cuisine for all tastes – from the delectable pizza at Adrienne's Pizzabar to the Swedish flavors of the Smörgås Chef – all set in an intimate, cobblestone street lined with historic architecture. Its outdoor setting makes Stone Street popular for lunch and after hours get-togethers.



#### Notable retailers:

- BMW
- Canali
- Crumbs Bakery
- Hermès
- La Maison Du Chocolat

- SHO Shaun Hergatt at the Setai
- Thomas Pink
- Tiffany & Co.
- Tourbillon
- True Religion Jeans
- Tumi

#### Major office tenants:

- Deutsche Bank
- New York Stock Exchange
- The Bank of New York Mellon
- Fragomen, Del Rey, Bernsen & Loewy

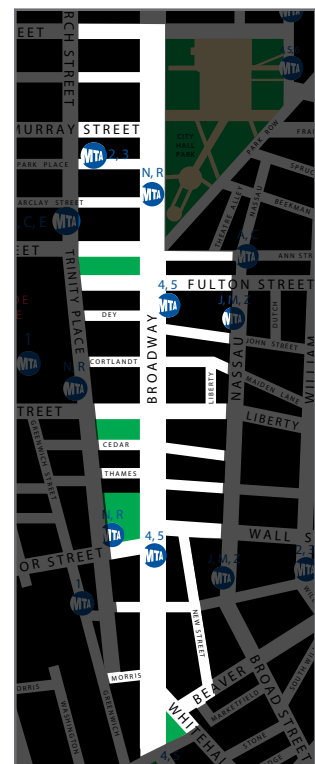
### Broadway Corridor

Lower Manhattan's grand boulevard is steeped in history, from the tops of its celebrated skyscrapers, to its sidewalks, where markers commemorate the many ticker-tape parades that have earned this street the nickname "Canyon of Heroes." Connecting City Hall to the historic Battery, this retail corridor offers an array of mid-priced chains, as well as Lower Manhattan's most exciting local retailers.

#### Notable retailers:

- Ann Taylor Loft
- Borders Books & Music
- Century 21
- Christopher Norman Chocolates
- Daffy's
- J&R Music and Computer World

- Men's Wearhouse
- Modell's
- Nine West
- Pylones
- Sephora
- William Barthman Jewelers



## Pedestrian Counts



Location	Total daily traffic (weekday)	Peak hour traffic (weekday)
1. Intersection of Fulton and Water Streets	32,226	3,757
2. Pier 17	40,475	5,114
3. Park Place bet. Church Street and West Broadway	19,235	2,650
4. Church Street south of Fulton Street (east sidewalk only)	39,416	5,984
5. Broadway south of Fulton Street (west sidewalk only)	37,158	4,338
6. Fulton Street bet. Nassau and Dutch Streets (south sidewalk only)	13,962	1,726
7. Maiden Lane between Pearl and Gold Streets (north sidewalk only)	9,908	1,317
8. Wall Street between Nassau and William Streets	39,381	4,272
9. William Street north of Stone Street	15,141	2,257
10. Broadway south of Morris Street (east sidewalk only)	26,136	4,013

# Lower Manhattan Retail Incentives

There are several incentives available from the New York City Department of Finance for retailers who locate in Lower Manhattan.

## 1. Commercial Revitalization Program (CRP)

CRP offers two tax incentives: a \$2.50 real estate tax abatement and a Commercial Rent Tax special reduction.

- **Real Estate Tax Abatement — Expires March 31, 2010**  
Under CRP, the Department of Finance offers a \$2.50 per square foot real estate tax abatement for up to 5 years for retail tenants that locate in non-residential pre-1975 buildings south of Murray Street in Lower Manhattan. Tenants must make improvements to their space and leases must commence prior to March 31, 2010. Required expenditures are based on the number of employees in the Lower Manhattan location.
- **Commercial Rent Tax (CRT) Special Reduction — Expires June 30, 2013**  
The CRT portion of CRP offers an exemption on commercial rent tax for retailers with an annual rent of over \$200,000 per year. To be eligible, the tenant must be located in a non-residential building south of Canal Street, and leases must commence prior to June 30, 2013.

For both portions of CRP, the following rules apply: Retailers have 180 days from the date of lease commencement to submit their applications to DOF, and subleases are not eligible.

## 2. Industrial & Commercial Abatement Program (ICAP) — Expires June 30, 2013

ICAP provides a partial exemption from or abatement of property taxes for up to 25 years for eligible industrial and commercial buildings south of Murray Street. In order to benefit, retailers must make capital improvements that will increase the assessed value of the entire building, property or commercial condominium. For commercial buildings, expenditures of at least 20% of the assessed value of the property in the year the building permit is issued are required. Build-out expenditures or individual tenant leasehold improvements do not qualify under ICIP. Both new construction and major rehabilitations are eligible.

*For more information on participating, visit [nyc.gov/dof](http://nyc.gov/dof)*

## 3. The Fulton Nassau Crossroads Program

The NYC Economic Development Corporation has implemented The Fulton Nassau Crossroads Program, a voluntary storefront and façade improvement program. This unique public-private partnership aims to improve pedestrian and retail conditions along lower Manhattan's primary retail corridor, drawing from the area's rich and diverse architectural heritage.

Owners who participate in the program will benefit from construction management services at no cost, as well as free design and engineering services from a design team lead by Perkins Will with the historic preservation expertise of Li/Saltzman Architects. In addition, participants will receive varying levels of construction assistance based on the types of improvements being implemented.

To be eligible, a property must be located on Fulton Street between Broadway to the west and Water Street to the east, or on Nassau Street between Spruce Street to the north and Maiden Lane to the south.

*For more information on how to apply to the program, visit [nycedc.com/crossroads](http://nycedc.com/crossroads).*

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The mission of the Alliance for Downtown New York is to be the principal organization that provides Lower Manhattan's historic financial district with a premier physical and economic environment, advocates for businesses and property owners and promotes the area as a world-class destination for companies, workers, residents and visitors. The Downtown Alliance manages the Downtown-Lower Manhattan Business Improvement District (BID), serving an area roughly from City Hall to the Battery, from the East River to West Street.



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